

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 14
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB014-DEC-WQ-01-27-17
Title: LEG. APPROVAL OF BRISTOL BAY SULFIDE
MINE
Sponsor: JOSEPHSON
Requester: (H) FSH

Department: Department of Environmental Conservation
Appropriation: Water
Allocation: Water Quality
OMB Component Number: 2062

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services			200.0	45.0	45.0	45.0	45.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	200.0	45.0	45.0	45.0	45.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)			200.0	45.0	45.0	45.0	45.0
Total	0.0	0.0	200.0	45.0	45.0	45.0	45.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version

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Agency: Department of Environmental Conservation

Phone: (907)465-5135
Date: 01/27/2017 11:00 AM
Date: 01/27/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB14

Analysis

This bill requires the Department of Environmental Conservation Commissioner to make an independent determination that an applicant for metallic sulfide mining operation located within the watershed of the Bristol Bay Fisheries Reserve has proven beyond a reasonable doubt that the operation will not constitute a danger to the fisheries.

In order to assist the Commissioner in making the independent determination, the Department requires contractual support in the form of technical assistance and legal counsel in reviewing the numerous permits from multiple state and federal agencies. Each time a permit is issued or significantly modified, a new independent determination will need to be made. For a large mine project that would disturb 640 or more acres of land, as described in existing statute at AS 38.05.142(c), it is expected that routine, ongoing permit modification and reissuance would result in an annual review.

Contractual costs include technical assistance (\$125,000 in the first year) and legal counsel (\$75,000 in the first year). The Department assumes that costs would begin in FY2019, though the project start-up date is unknown at this time.

For years beyond the first independent determination, costs are expected to be reduced given that many of the permits and authorizations will already have been reviewed. Annual costs for FY2020 and beyond are expected to be \$25,000 for technical assistance and \$20,000 for legal counsel.